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Michigan Senate Economic Development Committee

February 8, 2012

UEP Background

UEP process is customized to address the unique needs of each community.

- Urban Entrepreneur Partnership - established in 2004 to coach, educate, and advance high-growth minority entrepreneurs
- Urban Entrepreneur Partnership Gulf Coast - established in 2005 to coach and educate entrepreneurs affected by Hurricanes Katrina and Rita in the Gulf coast
- Urban Entrepreneur Partnership Detroit 150 - established in 2009 to coach and educate high-growth minority auto suppliers retool into emerging industries
- Urban Entrepreneur Partnership Suncoast – established in 2012 to coach, educate, and advance high-growth entrepreneurs



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UEP Detroit 150 Support

- Based on the UEP record of achievement, the New Economy Initiative, a collaboration of 10 local and national foundations, provided a 3-year grant for the UEP to transform 150 minority auto suppliers.
- NEI members consist of the following foundations: Community Foundation for S.E. Michigan, Max M. and Marjorie S. Fisher, Ford, Hudson-Webber, John S. and James Knight, W.K. Kellogg, Kresge, McGregor, Charles Stewart Mott and Skillman.



Today's Objective

- Inform committee regarding UEP Detroit 150 program, its value to the State of Michigan and achievements to date
- Seek committee support regarding:
 - the overall purpose and mission of the UEP Detroit 150
 - the pursuit of funding streams to partner with UEP Detroit 150 and the New Economy Initiative to support the long-term operations of the program
 - the pursuit of funding streams to partner with UEP to enable the expansion of the program into other Michigan cities (Flint, Lansing, Bay City, Saginaw, Benton Harbor, Grand Rapids, etc...)
 - the continuation to build on efforts to encourage corporations to do business with highly capable Michigan-based minority-owned suppliers such as those involved with UEP Detroit 150



UEP Detroit 150 Goals

- To assist 150 minority auto suppliers develop a diversified customer base
- To insure that Clients are well prepared for a successful diversification
- To document the UEP Detroit 150 process for continuous improvement and potential replication nationally
- To create and retain jobs in the seven county area (Wayne, Oakland, Macomb, Monroe, Washtenaw, St. Clair, & Livingston)
- To have a favorable impact on the economy of Southeast Michigan



UEP – Coaches/Consultants' Expertise

- UEP Detroit 150 coaches and consultants are world class with:
 - extensive educational background (MBA and Ph.D.'s)
 - extensive business background as entrepreneurs or consultants at major consulting firms
 - 100+ years of combined experience in business
 - 100+ years of combined multifaceted automobile manufacturing experience
 - 50+ years of combined experience in defense and aerospace
 - 50+ years of combined experience in healthcare
 - 20+ years of combined experience in alternative energy
- Coaches profiles available on www.uepdetroit.org



Benefits – Minority Suppliers / Clients

- Potential to be recognized as a “Recommended Supplier” of the UEP Detroit 150, who completed the rigorous three-step evaluation process of management, personnel, systems, facilities and equipment, financial health and organizational stability
- Improvement of overall Business model, strategy, and decision making and expansion of customer base, product lines, and capabilities
- Supplier development as part of a diversification plan
- Access to diversified market opportunities in automotive and other industries
- Opportunity identification, analysis and bid assistance when appropriate



Benefits – OEMs and Opportunity Provider's

- To contract with UEP Detroit 150 “Recommended Suppliers” who complete the rigorous three-step evaluation process of management, personnel, systems, facilities and equipment, financial health and organizational stability
- Introduction to “ready to play” suppliers
- Reduce time spent identifying capable suppliers
- Reduce costs associated with suppliers not ready for opportunities:
 - additional measures, guidance and support to enable supplier to complete contract.
 - turnover costs due to constant changing of suppliers, and associated learning curve requirements.
 - lost efficiencies because supplier does not obtain efficiencies of being a long term partner.
- UEP team able to assist “Recommended Suppliers” evaluate and prepare bids
- Improve market share and position via diverse market opportunities



UEP Detroit 150 Benefits to State of Michigan

- Economic impact (jobs created, jobs retained, etc...)
 - Research currently being performed by Dr. Thomas Boston to quantify impact to date (Georgia Tech)
- Program encourages OEM's to buy from local companies
- Provides very capable Minority suppliers to increase State of Michigan diversity and in-state “buy” % - all in one purchase
- Provides economic impact in Detroit; Michigan's largest Urban area
- Improves performance of urban based businesses which enhances sustainability and employment in urban areas
- Enhances Michigan image relative to its supply base

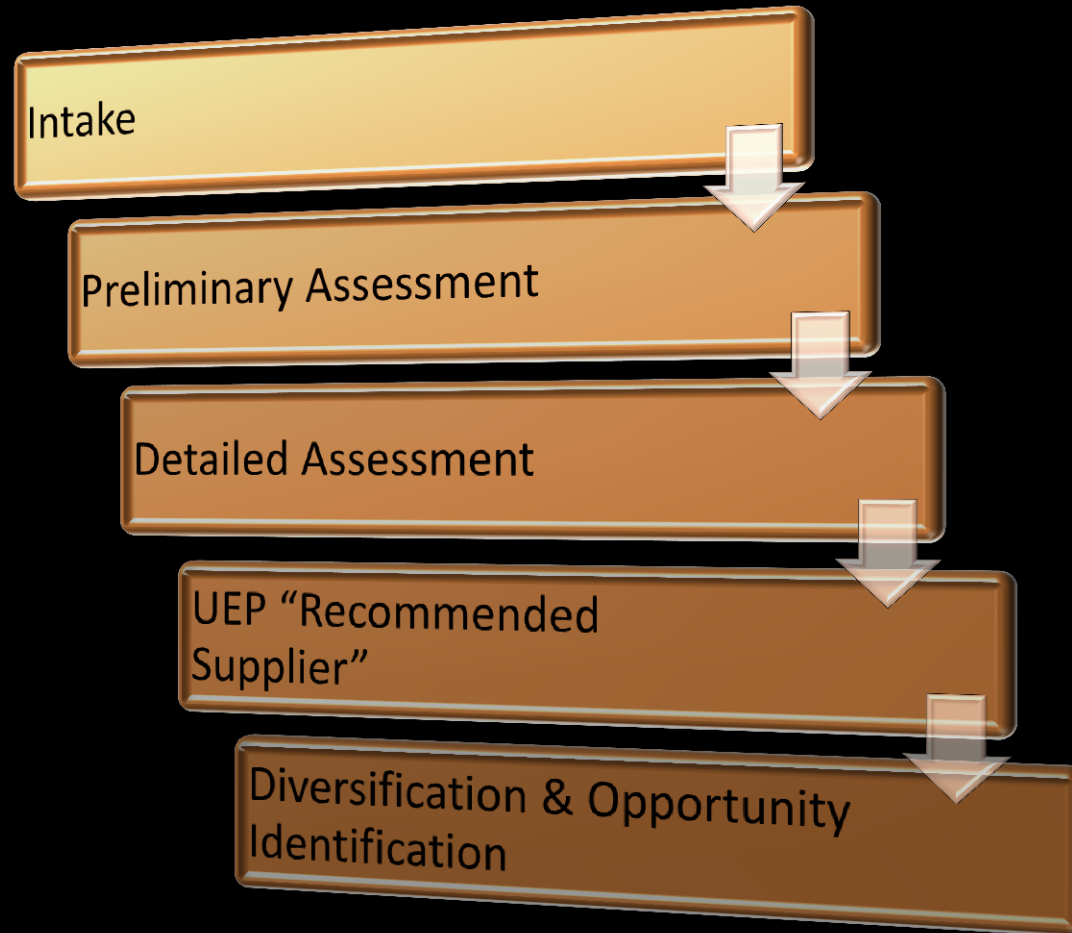


UEP Detroit 150 applicants must meet all of the following eligibility requirements:

- MMSDC certified
- Minority Owned Automotive focused Supplier
- Located within the seven county area of Wayne, Oakland, Macomb, Washtenaw, Monroe, Livingston or St. Clair
- Track record of revenue growth and profitability
- Financially Viable
- Basic Operating Systems already in place
- Flexible and willing to change

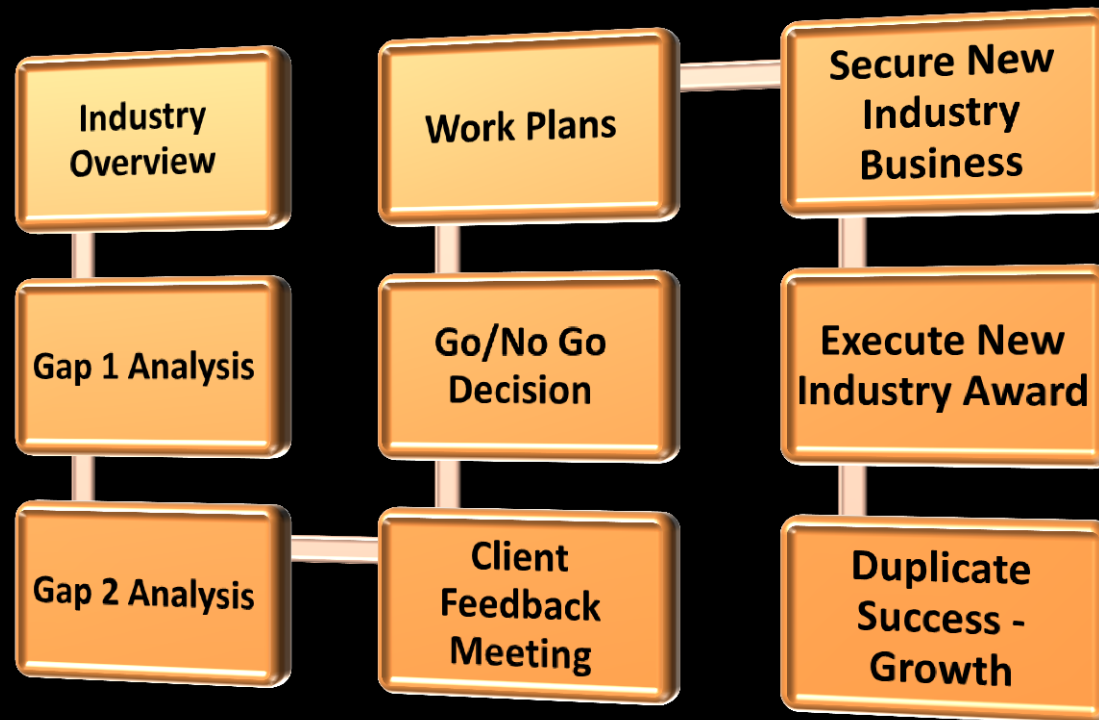


UEP Detroit 150 Process to become a “Recommended Supplier”



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Client Diversification Process (New Industry)



UEP “Recommended Suppliers” Report

Currently, 20 UEP “Recommended Suppliers” exist and are at different stages within the Diversification Process.



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UEP “Recommended Suppliers” Capabilities

Electrical Controls-Design & Fabrication	Electrical Components–Design & Fabrication
Electrical Device – Integration & Assembly	Metal Stamping & Steel Processing
Plastic Molding	Machining
Wire Harness Fabrication	Gage & Fixture Construction
Lift Devices-Fabrication & Testing	Production Systems-Design & Fabrication
Modular Assembly	Label, Decal and Name Plate Fabrication
Supply Chain Mgmt. MRO, Tooling, Chem.	HVAC Duct Design & Fabrication
Industrial / Commercial Laundry Service	Industrial Automation
Facility Management & Environmental Services	LED Lighting Distribution



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UEP “Recommended Supplier” Industry Selection

Aerospace	4
Miscellaneous New Markets	4
Defense/Government	3
Health Care & Medical Devices	3
Alternative Energy	1
TBD	5



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UEP Success Dashboard Report

<u>Success Indicator</u>	<u>Current</u>	<u>Goal</u>
Number of Clients	111	150
Number of “Recommended Suppliers”	20	30
Amount of Opportunities Identified	\$292,500,000	\$500,000,000
Amount of Opportunities Secured	\$87,230,000	\$100,000,000
Number of Jobs Retained/Created	TBD	TBD
Economic Impact	TBD (\$)	TBD (\$)



Recent UEP Collaboration Activities

- Detroit Regional Chamber of Commerce
- Henry Ford Health System
- General Electric Michigan Model (GEMM)
- Chrysler Match Making Event
- Crain's/MEDC Buy Michigan Event
- Michigan Small Business Technical Development Center
- Small Business Administration Outreach Tour
- Michigan Minority Supplier Development Council Awards Dinner
- Senate Economic Development Committee
- Buy Michigan Event
- Automation Alley Networking Event
- GVSET Defense Industry Conference
- Toyota Opportunity Exchange
- Billion Dollar Roundtable



Next Steps

- Receive feedback from committee as to level of support
- Receive guidance from committee to better understand future steps (e.g. follow-up meeting)



For more information on the UEP – A Program of the Kauffman Foundation, contact:

General UEP Program Information

- Kevin Lockett (816) 581-2906 klockett@uepkauffman.org

Interested Minority Supplier, becoming a member of the UEP Detroit

- Glenn Stafford (248) 345-6993 gstafford@uepkauffman.org

Corporations interested in providing Opportunities

- Kevin Lockett (816) 581-2906 klockett@uepkauffman.org

Marketing and Media Information

- Dr. Lena Rodriguez (816) 851-2900 lrodriguez@uepkauffman.org





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www.uepdetroit.org